SECRET

WAR DEPARTMENT
OFFICE OF THE ASSISTANT SECRETARY OF WAR
HEADQUARTERS, STRATEGIC SERVICES UNIT, CHINA

APO 908
6 September 1946

SUBJECT: Report of the Strategic Services Officer - August 1946

TO: Director, Strategic Services Unit, Washington 25, D.C.

1. GENERAL

The month of August was concluded by the departure of Capt. W. B. Goggins, USN, and Dr. Paul Eckel for Tokyo following conferences in Shanghai with Capt. H. deB. Claiborne, who represented the Seventh Fleet, in regard to the transfer of the China SSU unit from Army to Navy control. The completed plan evolving from these conferences has already been directly forwarded to those concerned by the Seventh Fleet. No major changes in either the mission of SSU/China or in personnel were effected as a result of the visit of Capt. Goggins. The number of personnel allotted to this unit was reduced to 198. Included in this figure is an addition of eight personnel who were not represented in previous tables of organization. This is only significant in that it includes six civilian airplane mechanics to maintain assigned aircraft. The Seventh Fleet has categorically stated that it will be unable to provide either aircraft, air crews or airplane maintenance.

2. PERSONNEL

As a cover to the Revised Table of Organization there was attached a statement of personnel required by SSU/China as of 24 August 1946. It is imperative that every effort be made to recruit competent personnel to fill these stated vacancies. As previously stated, it is not desired that untrained personnel be sent to this theater, since we have neither time nor opportunity to provide training in the field.

During the month of August this headquarters received a total of 18 replacements who have been assigned as follows:

Miss Vivian Brannen - Services (Special Funds with Mr. Nick Steichen)
Major Robert E. Buckley - SI (CO of Canton Field Station)
Mr. Lewis H. Byrns - Comm. (Changchun)
Mr. Thaddeus H. Crenshaw - Comm. (Shanghai)
Miss Gemilla Hedrick - X-2 (Mr. MacMillan's secretary)
Mr. John F. Hook - Services (Services Officer in Tsingtao)
Mr. Robert E. Hoover - Comm. (Shanghai)
Mr. Frank J. Kapitan - Comm. (Mukden)
Mr. Joseph J. Modis - Comm. (Shanghai)
Capt. Howard J. Olson - Comm. (Chief of Comm. Branch)
Capt. Garth B. Oswald - Security Officer
Mr. Hugh R. Redmond - Comm (Peiping)
Miss Virginia Renshaw - SI (SI Reporting Board - clerk typist)
1st Lt. Edwin R. Riley - SI (OB - Shanghai)
Mr. Asa A. Smith - SI (OB - Shanghai)
M/Sgt Thomas Smith - Services (Changchun)
Mr. Nick Steichen - Special Funds (Shanghai)
Mr. Joseph C. Vokoun - Comm. (Tientsin)

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During the month of August there have been a total of 17 departures as follows:

1st Lt. Meyer Auerbach - SI (Nanking)
1st Lt. Robert Barker - Special Funds (Shanghai)
1st Lt. Stanley Bergman - SI (Chief of Translation Section)
S/Sgt John B. F. Dillon - SI (Nanking)
Miss Jacqueline Faerber - X-2 (Shanghai)
Mr. Glenn Fields - X-2 (Shanghai)
Mr. Quentin C. Johnson - SI -(Changchun)
1st Lt. Lorents R. Jorgenson - X-2 (Shanghai)
1st Lt. John Kennedy - SI (Shanghai)
Major Frank C. Luck - Comm.
Mr. Alwynne Pinder - X-2 (Shanghai)
Lt. Col. Ralph Redford - SI (Changchun)
Sgt. John W. Scoggin - Adj. (Shanghai)
Pfc Cleatus Shepherd - SI (Shanghai)
Mr. Michael Slavin - Comm. (Shanghai)
S/Sgt Robert F. Suyocka - SI (Changchun)
T/4 Thomas H. Waldron - X-2 (Peiping)

In addition to the above paragraph, the following personnel are returning stateside within the next few days:

T/3 Harry G. Carroll - X-2 (Tientsin)
1st Lt. John H. Cox, USMC (Shanghai)
1st Lt. Richard Davis - SI (Canton).
Lt. Commander John J. Van Den Brink - SI (Tientsin)
T/3 James A. Waldron - X-2 (Peiping)

3. SI

As of 6 September this unit still has no Chief of SI, although it is our informal understanding that Major Robert Koke, now in Washington, is tentatively slated to fill this position. In addition, Mr. Otto Anderson, now of UNRRA and formerly of R & A, Chungking, has been recruited in the theater to fill the vacancy which will be created by the departure of Mr. Ronald Metz during this present month.

During the month of August the burden of directing SI operations was placed on the shoulders of Mr. Metz, assisted by Mrs. Agnes Greene. In my opinion they have performed an excellent job and deserve commendation for the ability and initiative displayed. Mr. Metz has proven invaluable and accepts responsibility with ease. He is by far the most informed person on the China situation we have had in this organization for at least the past four months, and his new responsibilities have required him to work many long hours overtime.

The SI situation in the Shanghai area is far from satisfactory, and in order to make the most out of the personnel available it has been necessary to eliminate many of the minor time-consuming tasks which were formerly performed for various "customers". In effect, each of the so-called SI investigators is now concerned primarily with specific projects or subjects and is charged with the responsibility of research and investigation utilizing, where necessary, paid informants. For example, rather than investigate "communists in Shanghai", these investigators are now charged with exploring a specific phase of communist activity in Shanghai, with the goal of obtaining sufficient information to write a clear and comprehensive report as to that phase. This change in tactics is also required because of the lack of training and experience of the investigators available and their inability to discern what is important and what is unimportant. By compelling

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them to follow a more rigid outline of procedure, it is felt that more beneficial results will be obtained.

Although limited by lack of competent personnel, we are endeavoring to establish agent nets into areas not heretofore covered by us. In addition, we are working with the object of establishing at least one person in each major city who may prove of value to the long range program at some future date.

4. X-2

Details of X-2 operations during the month are included in the X-2 report submitted herewith. There have been no significant developments during the month.

5. SECURITY

Capt. Garth B. Oswald arrived from the United States and has been assigned as the new Security Officer. Lt. (jg) Billie Bush, formerly a radio operator at Mukden, has been designated as Assistant Security Officer and as official officer courier for this headquarters. Mr. Paul Christopher will be returned to the Zone of the Interior as soon as Capt. Oswald has become sufficiently familiar with his duties. The slot of security investigator has been eliminated in the new Table of Organization.

6. CONCLUSIONS

Conversations with Capt. W. B. Goggins and Dr. Paul Eckel indicated that interest in Washington as to the operations of SSU/China is at a relatively low ebb. The impression was left in Shanghai that many persons in Washington feel that the sole reason for leaving this unit in China in its present form is to satisfy the demands of Admiral Cooke and thereby perform a "public relations task" by maintaining amicable feelings between CIC and an important and influential part of the U. S. Navy. This matter was discussed with Capt. Goggins and it was admitted that perhaps our mission was somewhat broader than merely "satisfying the demands of the Fleet".

It is felt that if the need in Washington is sufficient to maintain SSU/China until sometime in the early part of 1947, then the clarification requested by Mr. Ronald Metz in his recent letter to 209 deserves a prompt and considered answer. This is particularly so since we must pick our targets from now on and with the type and number of personnel available coverage provided in the past is no longer possible. We feel that the screening should be performed here but under clear and explicit directives from Washington. In addition, it is felt that consideration should now be given to the future integration of all X-2 files with those in Washington so that any steps now required may be taken so that the task may be performed as expeditiously as possible when the time arrives.

Amos D. Moscrip Jr.

AMOS D. MOSCRIP, Jr.
Lt. Colonel, Infantry
Commanding

TOP SECRET

WAR DEPARTMENT
OFFICE OF THE ASSISTANT SECRETARY OF WAR
HEADQUARTERS, STRATEGIC SERVICES UNIT
CHINA THEATER
APO 908

1 September 1946

TO: SAINF (Ex/5)

FROM: SAINF (Ex/1)

Attached hereto is a copy of the X-2 China Station Activities Report for August 1946.

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Distribution:
2 - Washington
6 - Hq & Hq Det.
1 - Shanghai

TOP SECRET

8-2-59

SUBJECT: X-2 CHINA STATION ACTIVITIES REPORT, MONTH OF AUGUST 1946.

I. Operations

A. Number of operations currently active:

Shanghai	5
Tientsin	7
Peiping	3
Mukden	2
Tsingtao	1 (conducted by SI)
Changchun	Unknown

B. Principal operations:

(1) Shanghai.

The recent operation consisting of sending a Chinese agent to Foh-San to attend a Communist meeting in that area was successfully culminated this month.

Most of the information obtained at the meeting was positive intelligence and was forwarded to SI for processing.

On 15 August it was learned that another meeting of prominent Communist leaders was to take place at Pao-Ying in Western Central Kiangsu Province. A Chinese agent was dispatched to attend this meeting with instructions to concentrate, if possible, on gathering information concerning counter-espionage activities and various secret organizations of the Chinese Communists. The agent completed the assignment in approximately ten days and the material is presently being translated. The results of this operation will be forwarded in a separate report.

In Shanghai, operations mentioned in our last monthly activities report are still in progress.

(2) Peiping.

Our monthly activities report dated 1 August 1946 indicated that through the use of BIS (Chinese Intelligence) agents efforts were being made to monitor Soviet radio stations. This operation is presently still in progress.

Also through the use of BIS agents the Peiping office has been able to keep abreast of Soviet and Russian immigrant activities within Executive Headquarters in that city. Through these agents X-2 Peiping has been in contact with policy making elements of the Executive Headquarters. A successful liaison has recently been set up with the new Security Office of Executive Headquarters which has facilitated an exchange of information regarding various personalities suspected of subversive activities.

A plan of BIS (Chinese Intelligence) to penetrate American Intelligence Service in Peiping was uncovered and is

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at the present time under the control of this office. All information obtained by the BIS agents regarding American intelligence activities is controlled through informants being used by X-2 in Peiping. Complete information regarding this operation is being forwarded in separate reports.

(3) Tientsin.

No new developments have been reported from this station.

(4) Changchun.

No number of operations in Changchun will be given at this time, inasmuch as X-2 operations at this station are still in a groundwork phase. Principal interest at present is centered in Changchun, Harbin, Kirin and various other Manchurian areas in the North and East. Up to the present time, however, all operations have centered in Changchun.

II. Services Rendered Other Agencies.

A. Shanghai.

Photographic equipment of this office has recently been made available to the Foreign Liquidation Commission, Shanghai, in order to facilitate an investigation which is being carried out by the Commission. These facilities were also used by CID in connection with investigations of considerable importance. Brief investigations are also being made for both these agencies.

Clearances (name checks)

Visa applications for Consulate	298
Name checks for Consulate	45
Name checks for CIC	584
Name checks for CID	15
Name checks for Navy	195
TOTAL name checks made Shanghai	1137

B. Peiping.

Recently a new liaison was set up with the Security Office of Executive Headquarters. Approximately 50 name checks were made by the Peiping office for Executive Headquarters.

Approximately 100 name checks and passport clearances were made for the American Consulate, Marine G-2, Military and Naval Attaches, CIC, CID and War Crimes Commission. Several brief investigations were carried out by the Peiping office for the American Consulate and CIC.

C. Changchun.

Until the present time no name checks or clearances have been made by the Changchun office for other agencies, although

cultural relations and an understanding as to cooperation and mutual assistance exists between this office and the American Vice Consul in this city, Mr. Allen C. Siebens. It is felt that the files of the Changchun office have only recently reached the stage where we can be of service to other agencies.